

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U 39-M) for Authorization, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2007.

Application 05-12-002
(Filed December 2, 2005)

Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Service and Facilities of Pacific Gas and Electric Company (U 39-M).

Investigation 06-03-003
(Filed March 2, 2006)

**ADMINISTRATIVE LAW JUDGE'S RULING
GRANTING THE MOTION TO DEFER ISSUES
REGARDING LOCAL OFFICE CLOSURES**

On May 26, 2006, Pacific Gas and Electric Company (PG&E), the Division of Ratepayer Advocates, The Utility Reform Network, the California Farm Bureau Federation, Disability Rights Advocates, and the Coalition of California Utility Employees (collectively, the Joint Parties) filed a motion to amend the schedule for addressing PG&E's proposal to 84 close local offices. This Ruling grants the motion.

The Joint Parties Motion

PG&E's proposal to close 84 local offices is scheduled to be addressed in the evidentiary hearings that start on May 31, 2006. The Joint Parties move to defer this matter to the evidentiary hearings on PG&E's proposed Performance Incentive Mechanism (PIM) that are planned for early 2007.

The Joint Parties state that they have met to discuss PG&E's proposal to close 84 local offices. Although no substantive settlement has been reached, the Joint Parties have agreed on the following procedural matters:

1. To allow for further settlement talks, the issues associated with PG&E's proposal to close 84 local offices should be considered in the PIM phase of this general rate case (GRC) proceeding. The Joint Parties pledge to act with good faith during the settlement discussions and to exchange status reports on their respective deliberations and positions at least once each month.

2. The evidentiary hearings for the PIM phase, which have not been set, should start no later than February 15, 2007, or as soon as possible thereafter to accommodate any Commission scheduling constraints. During these hearings, PG&E will make available, if reasonably requested by the Parties, the following PG&E witnesses: Tom King, Bruce Smith, Chuck Marre, Beverly Alexander, Steve Phillips, Kevin Ernst, Annette Hope and Stephanie Maggard.

3. The final decision on the first phase of the GRC (expected in December 2006) should adopt PG&E's forecast of \$37.1 million set forth in Exhibit PG&E-5, Chapter 6, for MWC FT (Customer Service Office Transactions), subject to refund pursuant to the terms of any settlement on office closure issues or the result of litigation during the PIM phase.¹

Ruling

The assigned Commissioner strongly supports the resolution of issues through settlements rather than litigation. Therefore, the Joint Parties' motion to defer office closure issues to the PIM phase to provide time for the Parties to

¹ PG&E will reflect the Joint Parties' agreement on this point in its Opening Brief due on July 27, 2006.

settle those issues should be granted unless there is a compelling reason not to. No such reason is apparent. Accordingly, the motion is granted.

This Ruling does not prejudice whether the final decision on the first phase of the GRC (expected in December 2006) will authorize a revenue requirement of \$37.1 million for PG&E's Customer Service Office Transactions, subject to refund pursuant to the terms of any settlement on this matter or the result of litigation during the PIM phase. This matter can only be decided by the full Commission. Also, this Ruling does not set a date for the start of evidentiary hearings in the PIM phase, although such hearings will commence as soon as practical in 2007.

Because evidentiary hearings on office closure issues (and other matters) start tomorrow, on May 31, 2006, it is necessary to rule immediately on the Joint Parties' motion. Accordingly, this Ruling is being issued pursuant to Rule 45(h), which allows the assigned Administrative Law Judge to rule on a motion prior to the receipt of any responses or replies.

Therefore, **IT IS RULED** that that the motion of Pacific Gas and Electric Company (PG&E), the Division of Ratepayer Advocates, The Utility Reform Network, the California Farm Bureau Federation, Disability Rights Advocates, and the Coalition of California Utility Employees to defer consideration of PG&E's proposal to close all of its local offices to the evidentiary hearings on PG&E's proposed Performance Incentive Mechanism that are planned for early 2007 is granted.

Dated May 30, 2006, at San Francisco, California.

/s/ Timothy Kenney
Timothy Kenney
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Granting The Motion to Defer Issues Regarding Local Office Closures on all parties of record in this proceeding or their attorneys of record.

Dated May 30, 2006, at San Francisco, California.

/s/ Antonina V. Swansen

Antonina V. Swansen

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, *e.g.*, sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.